

Monday, June 16, 2014

City of Durham FY14-15 Final Budget Approved

Balanced Budget Increases Property Tax to Cover Debt, Public Safety, Parks Maintenance & Solid Waste

DURHAM, NC - Earlier tonight, the Durham City Council approved the fiscal year 2014-2015 budget, which includes a 2.37 cent property tax increase, creating a new tax rate of 59.12 cents per \$100 of assessed value for voter-approved debt, public safety and parks maintenance, and solid waste fleet capital needs.

The total budget for FY 2014-15 of \$389.9 million, a 3.4 percent increase from last year's budget, and includes a \$175 million budget for services covered by the general fund. The 1.29 cent portion of the property tax increase is needed for voter-approved debt service costs from previous bonds and to cover 16 police officers and 15 firefighters' salaries that had been paid by recently expired federal grants. An additional half-cent portion of the new tax will hire 12 new employees each with full-time assignments for inspecting, repairing, cleaning, neatening and landscaping the City's parks and greenways. A further 0.58 cent will be used to cover solid waste fleet capital needs, which had previously been collected with a \$1.80 monthly fee that has now been eliminated. A tax rate of 59.12 per \$100 generates a tax bill of \$1,064.16 on a house valued at \$180,000.

Other fees include a \$1 per month yard waste service fee increase; a \$2 increase per ton fee increase for commercial municipal solid waste disposal; and a 3 percent water and sewer rate increase as well as a 7.5 percent stormwater rate increase, both of which were approved by Council at its May 19, 2014 meeting.

The FY 2014-2020 Capital Improvement Plan (CIP) budget contains a little more than \$93 million, including \$44 million for the new Police Headquarters, \$7 million for fire equipment and Fire Station #17, \$4.2 million for park upgrades, and \$20.5 million for water and sewer improvements. CIP funding is provided through impact fees, water and sewer revenues, revenue bonds, stormwater fees, and program income.

The budget also maintains fund balance reserves at 13.27 percent for FY 2015 year-end, with \$815,250 of these funds to be used for one-time expenditures including sidewalk repairs, to cover the state legislature's immediate restriction on business license fees, and Web 2.0.

An average 3 percent increase for general pay plan employees meeting performance expectations as well as a 3.5 percent increase for police and fire pay plans is also included. Although health care premiums remained constant, dental premiums increased slightly.

Other highlights of the FY 2014-2015 final budget include:

- \$500,000 for deferred maintenance
- \$1 million for street repaving
- \$6 million for fleet vehicles
- \$1.7 million for arts and culture including the Carolina Theatre, Durham Arts Council, St. Joseph's Historic Foundation, American Dance Festival, Full Frame Documentary Film Festival, Durham Blues Festival, and other public art initiatives

A copy of the approved budget will be available on the City's website by June 30 at <http://DurhamNC.gov/ich/as/bms/Pages/Home.aspx>.

About the Budget & Management Services Department

The Budget and Management Services Department is responsible for preparing, implementing, and monitoring the City's annual operating budget as well as the five-year revenue/expenditure projections for all City government services. The department also provides operational and organizational studies as identified by the City Council, City Manager's Office, and department staff. Guided by the City's Strategic Plan, which the department established and maintains, the department helps to ensure that the City of Durham is a well-managed city by working with City

agencies to build and implement performance measurement monitoring and evaluation. The department is also responsible for preparing the Capital Improvement Plan (CIP), conducting resident satisfaction surveys, and evaluating departmental achievement of City goals and objectives. To learn more, visit <http://DurhamNC.gov/ich/as/bms/Pages/Home.aspx>.

Budget and Management Services